

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 51001/0065 Mine Name Star Range Dolomite  
Operator Western Clay Company Date Sent Nov 24 2010  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Nature of File Closure letter 2010-11242010

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File - Confidential 2010-1124-2010

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_



Contract Number UTU-80512

Bond Number \_\_\_\_\_

**PERSONAL BOND AND POWER OF ATTORNEY  
UNDER CONTRACT FOR MINERAL MATERIALS**

July 31, 1947 (30 U.S.C. 601 et.seq.)

KNOW ALL MEN BY THESE PRESENTS, That **Western Clay Company, P.O. Box 127, Aurora, Utah 84620**, as Obligor, is held and firmly bound unto the United States in the sum of **six-thousand dollars (\$6,000.00)** lawful money of the United States for the use and benefit of (1) the United States and (2) any owner of a portion of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the above mentioned deposits to the United States, for which payment, well and truly to be made, he binds himself, his heirs, executors, administrators, successors, and assigns jointly and severally, as a further guarantee of which a deposit has been made with the Bureau of Land Management in the sum of **\$6,000.00** in the form of **Irrevocable Standby Letter of Credit No. \_\_\_\_\_** of **Zions First National Bank**.

The condition of the foregoing obligation is such that whereas the Obligor has been granted the contract referred to above, upon the lands described therein, and upon conditions therein expressed.

The said Obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, to transfer and apply the said deposit, pursuant to authority conferred by Section 1 of the Act of July 30, 1947(61 Stat. 646; 6 U.S.C. 15) as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking, the said attorney shall have full power to assign, appropriate, transfer and apply said deposit or any portion thereof and to apply proceeds to the satisfaction of any damages, or deficiencies arising by reason of such default as said attorney may deem best. The said Obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said Attorney shall do by virtue of these presents.

NOW THEREFORE, if said Obligor, his successors or assigns shall fully comply with the provisions of the contract referred to above, then and in that event the above obligation shall be null and void and the deposit shall be released and returned to the Obligor. Otherwise, said obligation shall remain in full force and effect.

Executed this 3<sup>rd</sup> day of June, 2003.

Western Clay  
Obligor

Bob B. Miller  
Signature of Authorized Representative

President  
Title

508 E Center  
Business Address

**Acknowledgment from Notary Public:**

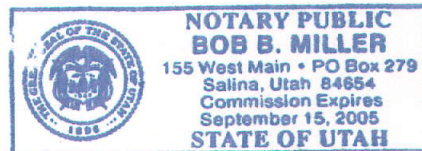
State of Utah, County of Sevier

Subscribed and Sworn to before me this 3 June 2003

by Bob B. Miller

Bob B. Miller  
Notary Public

15 September 2005  
My commission expires



# ZIONS BANK

Established in 1873

International Operations  
550 South Hope Street, 3rd Floor  
Los Angeles, California 90071  
S.W.I.F.T: ZFNBUS55

Standby Letter of Credit

L/C No

May 22, 2003

## IRREVOCABLE STANDBY LETTER OF CREDIT NO.

BENEFICIARY:  
UNITED STATES DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT  
176 EAST G.L. SARGENT DRIVE  
CEDAY CITY, UT 84720

EXPIRATION:  
August 25, 2004 or any automatically  
extended date as herein below set forth

AMOUNT: USD6,000.00

Dear Sir/Madam:

At the request of WESTERN CLAY COMPANY, P.O. BOX 127, AURORA, UTAH 84620, we hereby establish our Irrevocable Standby Letter of Credit in your favor up to an aggregate amount of Six Thousand USDOLLARS (USD 6,000.00). This credit is available for payment against presentation of your draft(s) at Sight drawn on ZIONS FIRST NATIONAL BANK, bearing the clause: "Drawn under credit no \_\_\_\_\_ of ZIONS FIRST NATIONAL BANK, Los Angeles, California" accompanied by the following documents:

This original Letter of Credit and amendment(s) thereto, if any, which will be returned to you following our notation thereon of the amount of such draft drawn hereunder. If the amount of the draft is for the full amount of this Letter of Credit, the original Letter of Credit will be retained by us.

Partial Drawings are permitted.

It is a condition of this Letter of Credit that it shall be deemed automatically extended, without amendment, for one year from the expiration date hereof, or any future expiration date, unless at least ninety (90) days prior to such expiration date, we notify you in writing, by certified mail or courier service that we elect not to renew this Letter of Credit for any additional period.

In the event of a drawing all documents must be dispatched in one lot by registered mail or courier services directly to Zions First National Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071 on or before August 25, 2004 or any automatically extended expiration date.

This Letter of Credit is transferable by you in its entirety and not in part, but only by delivery to us of an Application For Full Transfer of a Standby Letter of Credit, in the form of Exhibit A attached hereto together with the original Letter of Credit and amendments if any, and payment of our transfer fee of 1/4% minimum \$100.00.

If you have any questions concerning this transaction, please call us at (800) 551-0110 Ext.2131, 2130 or 2123.

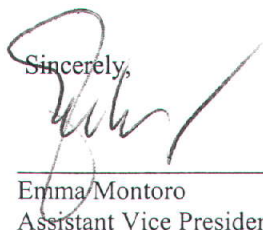
We hereby agree with you that all draft(s) drawn under and in compliance with the terms of this letter of credit will be honored upon presentation to us as specified herein.



Letter of Credit No.  
May 22, 2003  
Page 2

This Letter of Credit is subject to and governed by the laws of the State of Utah and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500) and in the event of any conflict the Laws of the State of Utah will control. If this Credit expires during an interruption of business as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Emma Montoro', is written over a horizontal line.

Emma Montoro  
Assistant Vice President



## **Penny Berry - S0010065 Star Range Dolomite**

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**From:** Penny Berry  
**To:** Tom Munson  
**Date:** 11/16/2010 12:20 PM  
**Subject:** S0010065 Star Range Dolomite  
**CC:** Paul Baker

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Hi Tom,

We have a copy of the LOC with Zions Bank in the amount of \$6,000 (originally held with the BLM, I believe it's been released). Comments on foxpro: 11/21/2005 - Rec'd copy of BLM letter to Zions Bank stating Western Clay has successfully fulfilled all terms & conditions of contract and BLM may terminate the \$6,000 LOC

Inspection was completed on 11/12/08 and the report states all the reclamation has been completed. My question is, is this something we can close now? Let me know. Thanks.





State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

April 12, 2004

RECEIVED

MAY 03 2004

DIV. OF OIL, GAS & MINING

Mr. Brad Boyter  
Western Clay Company  
P. O. Box 127  
Aurora, Utah 84620

Subject: Proposal to Mine Dolomite, Western Clay Company, S/001/065,  
Beaver County, Utah

Dear Mr. Boyter:

On April 9, 2004, the Division of Oil, Gas and Mining received copies of correspondence from Byron Muir to the Bureau of Land Management (BLM) on your behalf, and from the BLM to you. The letter from Mr. Muir to the BLM details proposed mining operations in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 21, Township 28 South, Range 11 West, SLBM. The letter from Ed Ginouves of the BLM to you is a cover letter for a sales contract. We also received a copy of a letter of credit issued by Zions Bank in the amount of \$6000 with the BLM named as the beneficiary.

As far as we can determine, the Division of Oil, Gas and Mining has not received a notice of intention for this operation. From the information in the sales contract, it appears the disturbed area would be between 1.22 and 1.50 acres, so the appropriate form to file is MR-SMO, a copy of which is enclosed.

When we receive your notice of intention, we will evaluate the size of the disturbed area in relation to the bond you have already submitted. This existing bond may be adequate for our purposes, but the Division will need to be named as a beneficiary together with the BLM. You will also need to submit a reclamation contract. *Please do not change the letter of credit until after you hear from us concerning whether it will be considered adequate.*

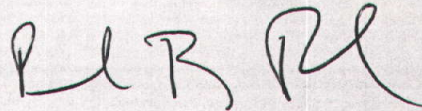
Please submit the notice of intention form as soon as possible. If you have already started mining, you may be out of compliance with the Utah Mined Land



Mr. Brad Boyter  
Page 2 of 2  
Western Clay Dolomite Mine  
April 13, 2004

Reclamation Act. If you have questions about this letter, please call me at 801-538-5261 or Tom Munson at 801-538-5321. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', with a stylized, cursive script.

Paul B. Baker, Reclamation Biologist  
Minerals Regulatory Program  
Utah Division of Oil, Gas and Mining

Enclosure: MR-SMO  
cc: Ed Ginouves, Cedar City BLM  
PBB:jb  
O:\M001-Beaver\WesternClay\draft\ltr-04122004.doc



February 6, 2003

Byron Muir  
P.O. Box 106  
Minersville, Utah 84752-0106

Mr. Ed Ginouves

Bureau of Land Management  
176 D.L. Sargent Drive  
Cedar City, Utah 84720

RE: Proposal to mine dolomite from an existing site.  
NE1/4, SW1/4, Sec. 21, T28S, R11W, SLB&M,  
Beaver County, Utah

Dear Mr. Ginouves;

As per our telephone conversation concerning plans to scale-up mining at the white dolomite site in the Star Mining District near Milford, we are making a proposal in writing as follows:

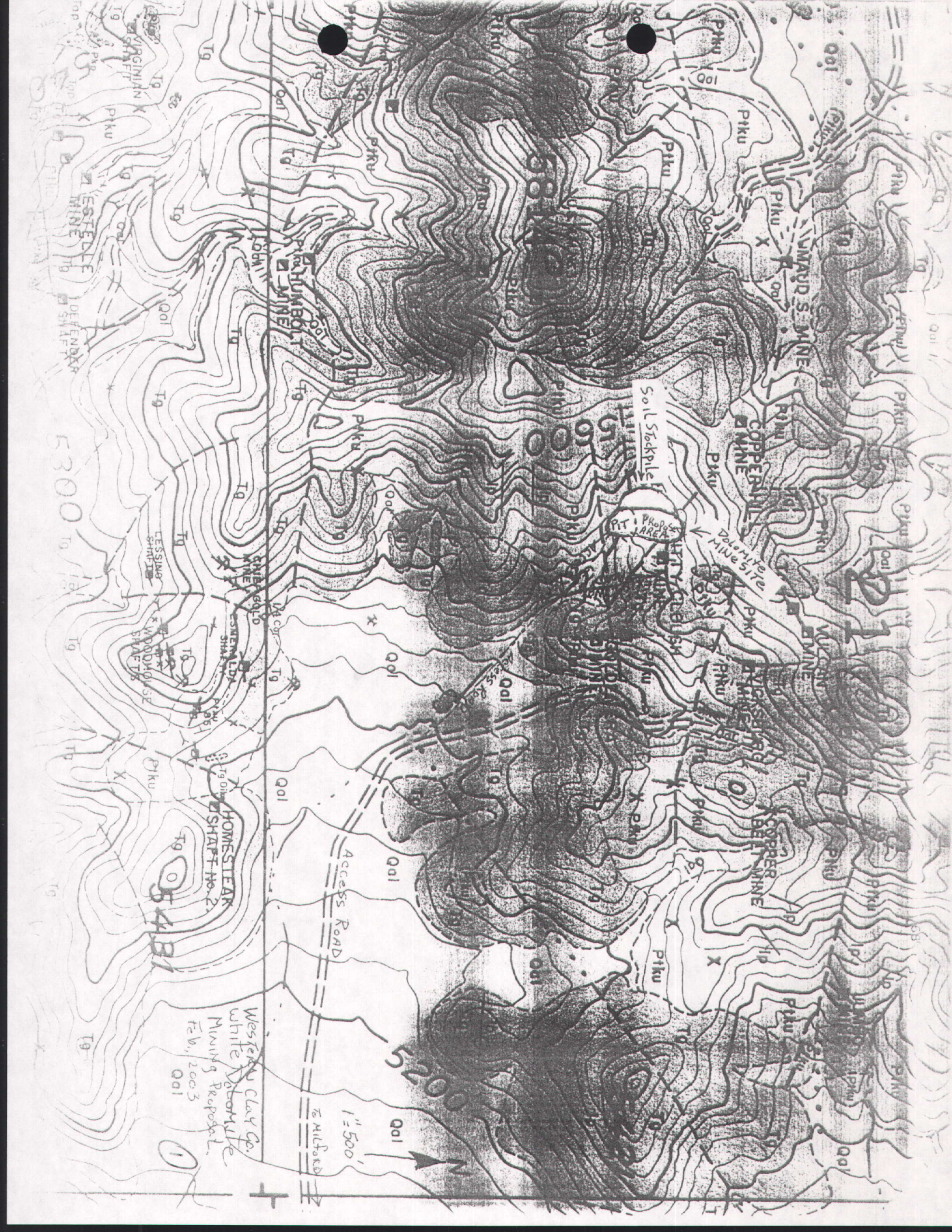
1. The site map enclosed is enlarged from USGS 1:24000 scale topographic map titled "Milford Flat, Utah". The site has been flagged to show the proposed expansion of the pit in a northerly direction from the existing pit, and is estimated at around 3 acres which includes the existing pit and soil stockpile area.
2. Existing roads are suitable for haulage to State Hwy 21 and beyond. Western Clay Company plans to mine and haul, with off-site crushing and processing at their plant in Aurora, Utah. The short 3/4 mile road leading westerly from the county road to the mine site may need to be graded and maintained from time to time by the operator at their expense.
3. The operator is to be Western Clay Company located at Aurora, Utah. Alex Boyter is the contact person involved with this proposed operation. Western Clay plans to remove a minimum of 2500 tons per year with an option to enlarge production in the future to meet market demands. The BLM royalty amount as discussed with you on the phone is to be 80 cents per ton. It is our understanding also that there will need to be a reclamation bond in place as well.
4. Western Clay Co. proposes to drill, blast and haul the material using a track mounted drill, dynamite, rubber tired front end loader, possible track hoe, and belly dump trucks to haul the rock to their facility at Aurora, Utah for crushing etc.
5. Limited amounts of growth media (topsoil) estimated to be 4"-10" thick will be stockpiled northwest of the existing pit for future reclamation of the disturbed area. Walls will be sloped and reshaped to harmonize with the existing terrain and to prevent undue degradation as well as to promote safety for workers. The short terminal ravine will be kept free and open for any potential runoff. Presently the access road is situated in or near the ravine, and receives little if any flow from storms due to truncation against the small hill west of the pit. Vegetation is sparse consisting of shadscale and grasses. There are no trees growing within or near the area proposed for mining. Site finishing after reshaping will be done by reseeding all disturbed areas with an approved seed mix.
6. All onsite fuels, lubricants and explosives will be contained and stored in containers designed for such use. Any onsite storage of explosives will be stored in an MSHA approved magazine and properly labeled. An approved portable self contained commode will be provided for workers during periods of operation.
7. Mining activities will be respectful and as unobtrusive as possible to neighboring landowners, landusers and the environment. The site borders private patented mining claims. The nearest residents are in Milford about six miles distant.

We hope this will give you sufficient information about our mining proposal so you can prepare the necessary documents and get approval from your office. Please feel free to contact me anytime (435) 386-2220 or Cell #421-1635 if you have questions or need additional information. I will look forward to your response. Thank you.

Sincerely,

*Byron C. Muir*





WESTERN CLAY CO.  
WHITE MOUNTAIN  
MINING REPOSIT.  
Feb, 2003

1" = 500'  
2 miles

Soil Stockpile

2000

5400

5400

5600

5500

581



Contract Number UTU-80512

Bond Number \_\_\_\_\_

**PERSONAL BOND AND POWER OF ATTORNEY  
UNDER CONTRACT FOR MINERAL MATERIALS**

July 31, 1947 (30 U.S.C. 601 et seq.)

KNOW ALL MEN BY THESE PRESENTS, That Western Clay Company, P.O. Box 127, Aurora, Utah 84620, as Obligor, is held and firmly bound unto the United States in the sum of six-thousand dollars (\$6,000.00) lawful money of the United States for the use and benefit of (1) the United States and (2) any owner of a portion of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the above mentioned deposits to the United States, for which payment, well and truly to be made, he binds himself, his heirs, executors, administrators, successors, and assigns jointly and severally, as a further guarantee of which a deposit has been made with the Bureau of Land Management in the sum of \$6,000.00 in the form of Irrevocable Standby Letter of Credit No. \_\_\_\_\_ of Zions First National Bank.

The condition of the foregoing obligation is such that whereas the Obligor has been granted the contract referred to above, upon the lands described therein, and upon conditions therein expressed.

The said Obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, to transfer and apply the said deposit, pursuant to authority conferred by Section 1 of the Act of July 30, 1947(61 Stat. 646; 6 U.S.C. 15) as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking, the said attorney shall have full power to assign, appropriate, transfer and apply said deposit or any portion thereof and to apply proceeds to the satisfaction of any damages, or deficiencies arising by reason of such default as said attorney may deem best. The said Obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said Attorney shall do by virtue of these presents.

NOW THEREFORE, if said Obligor, his successors or assigns shall fully comply with the provisions of the contract referred to above, then and in that event the above obligation shall be null and void and the deposit shall be released and returned to the Obligor. Otherwise, said obligation shall remain in full force and effect.

Executed this 3<sup>rd</sup> day of June, 2003.

Western Clay  
Obligor

David Beza  
Signature of Authorized Representative

President  
Title

508 E Center  
Business Address

**Acknowledgment from Notary Public:**

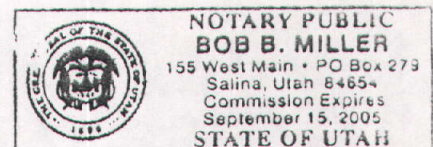
State of Utah, County of Sevier

Subscribed and Sworn to before me this 3 June 2003

by Bob B Miller

Bob B Miller  
Notary Public

15 September 2005  
My commission expires





# ZIONS BANK

Established in 1873

International Operations  
550 South Hope Street, 3rd Floor  
Los Angeles, California 90071  
S.W.I.F.T: ZFNBUS55

Debit Advice

L/C No. [REDACTED]

05/22/2003

To:

**WESTERN CLAY COMPANY**

**P.O. BOX 127**

**AURORA, UTAH 84640**

Ref:

Letter of Credit Number [REDACTED]

Debit Advice: 1

Beneficiary: UNITED STATES DEPARTMENT OF INTERIOR BUREAU OF LAND  
MANAGEMENT

Please be advised that the following amounts were debited from your account(s):

Date	Account	Description	Amount
05/22/2003	054010970	STANDBY ISSUANCE At 1.25% with minimum of USD	\$100.00
05/22/2003	054010970	100.00	\$40.00
05/22/2003	054010970	L/C SETUP FEE At 0% with minimum of USD 40.00	\$15.00
		COURIER - DOMESTIC At 0% with minimum of USD	
		15.00	
		<b>TOTAL AMOUNT</b>	<b>\$155.00</b>

Comments:

Sincerely,

Authorized Signature

This Letter of Credit is transferable by you in its entirety and not in part, but only by delivery to us of an Application For Full Transfer of a Standby Letter of Credit, in the form of Exhibit A attached hereto together with the original Letter of Credit and amendments if any, and payment of our transfer fee of .4% minimum \$100.00.

If you have any questions concerning this transaction, please call us at (800) 551-0110 Ext. 2131, 2130 or 2123.

We hereby agree with you that all draft(s) drawn under and in compliance with the terms of this letter of credit will be honored upon presentation to us as specified herein.



# ZIONS BANK

Established in 1873

International Operations  
550 South Hope Street, 3rd Floor  
Los Angeles, California 90071  
S.W.I.F.T: ZFNBUS55

Standby Letter of Credit

L/C No. [REDACTED]

This Letter of Credit is subject to and governed by the laws of the State of Utah and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500) and in the event of any conflict the Laws of the State of Utah will control. If this Credit expires during an interruption of business as described in Article 17 of said Publication 500, the bank hereby agrees to extend payment if this Credit is drawn against within 10 days after the resumption of business.

May 22, 2003

## IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

### BENEFICIARY:

UNITED STATES DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT  
176 EAST G.L. SARGENT DRIVE  
CEDAY CITY, UT 84720

### EXPIRATION:

August 25, 2004 or any automatically  
extended date as herein below set forth

AMOUNT: USD6,000.00

Dear Sir/Madam:

At the request of WESTERN CLAY COMPANY, P.O. BOX 127, AURORA, UTAH 84620, we hereby establish our Irrevocable Standby Letter of Credit in your favor up to an aggregate amount of Six Thousand USDOLLARS (USD 6,000.00). This credit is available for payment against presentation of your draft(s) at Sight drawn on ZIONS FIRST NATIONAL BANK, bearing the clause: "Drawn under credit no. [REDACTED] of ZIONS FIRST NATIONAL BANK, Los Angeles, California" accompanied by the following documents:

This original Letter of Credit and amendment(s) thereto, if any, which will be returned to you following our notation thereon of the amount of such draft drawn hereunder. If the amount of the draft is for the full amount of this Letter of Credit, the original Letter of Credit will be retained by us.

Partial Drawings are permitted.

It is a condition of this Letter of Credit that it shall be deemed automatically extended, without amendment, for one year from the expiration date hereof, or any future expiration date, unless at least ninety (90) days prior to such expiration date, we notify you in writing, by certified mail or courier service that we elect not to renew this Letter of Credit for any additional period.

In the event of a drawing all documents must be dispatched in one lot by registered mail or courier services directly to Zions First National Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071 on or before August 25, 2004 or any automatically extended expiration date.

This Letter of Credit is transferable by you in its entirety and not in part, but only by delivery to us of an Application For Full Transfer of a Standby Letter of Credit, in the form of Exhibit A attached hereto together with the original Letter of Credit and amendments if any, and payment of our transfer fee of 1/4% minimum \$100.00.

If you have any questions concerning this transaction, please call us at (800) 551-0110 Ext.2131, 2130 or 2123.

We hereby agree with you that all draft(s) drawn under and in compliance with the terms of this letter of credit will be honored upon presentation to us as specified herein.



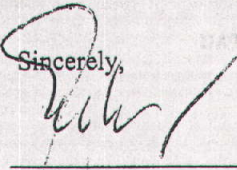
Letter of Credit No. [REDACTED]  
May 22, 2003  
Page 2

EXHIBIT A

This Letter of Credit is subject to and governed by the laws of the State of Utah and the 1993 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication No. 500) and in the event of any conflict the Laws of the State of Utah will control. If this Credit expires during an interruption of business as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this Credit is drawn against within 30 days after the resumption of business.

ZIONS FIRST NATIONAL BANK  
INTERNATIONAL OPERATIONS CENTER  
550 SOUTH HOPE STREET, 3RD FLOOR  
LOS ANGELES, CA 90071

Sincerely,

  
Emma Montoro  
Assistant Vice President

RE: YOUR LETTER OF CREDIT NO. \_\_\_\_\_

DATED \_\_\_\_\_ FOR \_\_\_\_\_

WE HEREBY IRREVOCABLY ASSIGN AND TRANSFER, IN FULL, THE ABOVE MENTIONED LETTER OF CREDIT TO:

BY THIS TRANSFER, ALL OUR RIGHTS IN THE CREDIT ARE TRANSFERRED TO THE TRANSFEREE AND THE TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF.

IT IS UNDERSTOOD THAT ANY AMENDMENTS TO THE LETTER OF CREDIT WHICH YOU MAY ISSUE, MAY BE SENT BY YOU DIRECTLY TO THE TRANSFEREE WITHOUT OUR INTERVENTION.

THE ORIGINAL CREDIT (INCLUDING AMENDMENTS TO THIS DATE, IF ANY) IS ATTACHED.

WE ENCLOSE OUR CHECK FOR \$ \_\_\_\_\_, (104% MIN. \$10,000) IN PAYMENT OF YOUR TRANSFER COMMISSION AND WE AGREE TO PAY YOU ON DEMAND ANY EXPENSES YOU MAY INCUR IN CONNECTION WITH THIS TRANSFER.

YOURS VERY TRULY

(NAME OF BENEFICIARY APPEARING ON THE CREDIT)

AUTHORIZED SIGNATURE AND TITLE

IT IS SIGNED FOR ON BEHALF OF THE BENEFICIARY  
BY SUCH PERSONS AS HAVE BEEN DULY AUTHORIZED  
TO ENTER INTO SUCH TRANSFER.

THE ABOVE SIGNATURE WITH TITLE AS STATED  
CONFORMS WITH THAT ON FILE WITH US AND IS  
AUTHORIZED FOR THE EXECUTION OF THIS INSTRUMENT.

BANK

AUTHORIZED SIGNATURE





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

### Cedar City Field Office

176 East DL Sargent Drive

Cedar City, UT 84720

Telephone (435) 586-2401

FAX (435) 865-3058

In Reply Refer To:

UT-042

3600: UTU-80512

June 4, 2003

Mr. Brad Boyter  
Western Clay Co.  
P.O. Box 127  
Aurora, Utah 84620

Dear Mr. Boyter:

This letter is in regard to an application submitted to this office in behalf of Western Clay Co. for an exclusive material sales contract to remove metamorphosed limestone and dolomite from BLM-managed lands within sec. 21, T. 28 S., R. 11 W., Beaver County, Utah. The application was submitted by Mr. Byron Muir, via letter dated February 6, 2003.

Enclosed is the sales contract. Before the contract is valid, you will need to sign and date the contract and return the original to this office to my attention, together with a check in the amount of \$2,000.00 (made out to the BLM) to cover the royalty on the material to removed under the contract. Please take the time to read the contract stipulations and to call me if you have any questions or concerns.

I can be reached at the above address and by telephone at 435-865-3040.

Sincerely,

Ed Ginouves  
Mining Engineer

Enclosure: UTU-80512 Sales Contract w/attachments  
cc. Mr. Byron Muir, P.O. Box 106, Minersville, Utah 85752



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**CONTRACT FOR THE SALE OF MINERAL MATERIALS**

FORM APPROVED  
OMB NO. 1004-0103  
Expires: February 28, 2005

Office

CEDAR CITY

Contract Number

UTU-80512

The UNITED STATES OF AMERICA acting through the Bureau of Land Management (BLM), and WESTERN CLAY  
you, the purchaser, make this AGREEMENT, under the authority of the Act of July 31, 1947  
(61 Stat. 681), as amended at 30 U.S.C. 601 through 604, and the regulations at 43 CFR, Group 3600.

We agree:

Sec. 1. *Contract area* - Under the terms and conditions of this contract, the United States sells to you and you buy the mineral materials listed in Section 2 and contained in the following lands as shown on the map and mining plan attached to this contract:

COUNTY	STATE	TOWNSHIP	RANGE	SECTION	ALIQUOT PARTS	MERIDIAN	ACREAGE
BEAVER	UTAH	28 S	11 W	21	NE 1/4 SW 1/4	SLPM	1.5

Pit Name (if any): STAR RANGE DOLOMITE

Sec. 2. *Amount and price of materials* - The United States determines the total purchase price by multiplying the total quantity of each kind of mineral material designated by the unit price given below, or as changed through reappraisal.

KIND OF MATERIALS	QUANTITY (Units Specified)	PRICE PER UNIT	TOTAL PRICE
CRUSHED DECORATIVE ROCK	2,500 tons	\$0.80	\$2,000.00
TOTAL	2,500 tons	\$0.80	\$2,000.00

BLM's determination of the amount of materials that you have taken under the contract is binding on you. You may appeal this determination as provided in Section 19.

You are liable for the total purchase price, even if the quantity of materials you ultimately extract is less than the amount shown above. You may not mine more than the quantity of materials shown in the contract.

Sec. 3. *Payments, title, and reappraisals* - You may not extract the materials until you have paid in advance for them in full \$ 2,000.00, or paid the first installment of \$ \_\_\_\_\_.

☒ If you pay in full in advance, BLM will check this box, and Subsections 3(a) through 3(c) do not apply to your contract. You must pay in full for all sales of \$2,000 or less.

(a) If you pay in installments, you must pay the first installment before BLM approves the contract.

(b) Once you start removing material, you must pay each subsequent installment payment monthly in an amount equal to the value of materials removed in the previous month. Payment must be made by the 15th day following the end of the month for which you are reporting. You must pay the total purchase price not later than 60 days before the contract expires.

(Continued on reverse)



(c) The United States will retain the first installment as security for your full and faithful performance and will apply it to the last installment required to make the total payment equal to the total price given in Section 2.

The total purchase price equals the sum of the total quantities removed, multiplied by their respective unit prices.

If you are late making an installment payment, you **must not** remove any more material until you have paid. Removing material you have not paid for is trespass, and for trespass you **must** pay at triple the appraised unit price, or at triple the reappraised unit price if BLM has made a reappraisal. To resume removal operations after you were late making payments, you **must** obtain BLM's written approval.

(d) You receive title to the mineral materials only after you have paid for them and extracted them.

Sec. 4. *Risk of loss* - You assume complete risk of loss for all materials to which you have title. If material covered by this contract is damaged or destroyed before title passes, you are liable for all loss suffered if you or your agents are directly or indirectly responsible for the damages. If you are not responsible for the damage or destruction, you are liable only to the extent that the loss was caused by your failure to remove the material under the terms of this contract. You are still liable for breach of contract or any wrongful or negligent act.

Sec. 5. *Liability for damage to materials not sold to you* - You are liable for loss or damage to materials not sold to you if you or your agents are directly or indirectly responsible for the damage or loss. You are also liable if you fail to perform under the contract according to BLM's instructions and the United States incurs costs resulting from your breach of any contract term or your failure to use proper conservation practices. If the damage resulted from willful or gross negligence, you are liable for triple the appraised value of the damaged or destroyed materials. If the damage or destruction did not result from willful or gross negligence, you are liable for lesser charges, but not less than the appraised value of the materials.

Sec. 6. *Stipulations and reserved terms* - Your rights are subject to the regulations at 43 CFR Group 3600 and to any stipulations and the mining plan attached to this contract.

☒ BLM will check this box if there are stipulations attached to this contract.

Sec. 7. *Notice of operations* - You **must** notify BLM immediately when you begin and end operations under this contract. If BLM has specified a time frame for notification, you **must** comply with that time frame.

Sec. 8. *Bonds* - (a) You **must** furnish BLM with a bond in the amount of \$ 6,000.00 as a condition of issuing this contract.

(b) If you do not perform all terms of the contract, BLM will deduct an amount equal to the damages from the face amount of the bond. If the damages exceed the amount of the bond, you are liable for the excess. BLM will cancel the bond or return the cash or U.S. bonds you supplied when you have completed performance under this contract.

(c) BLM will require a new bond when it finds any bond you furnish under this contract to be unsatisfactory.

Sec. 9. *Assignments* - You may not assign this contract without BLM's written approval.

Sec. 10. *Modification of the Approved Mining or Reclamation Plan*. You or BLM may initiate modification of these plans to adjust for changed conditions, or to correct any oversight. The conditions for BLM requiring you to modify these plans, or approving your request for modification are found in the regulations at 43 CFR 3601.44.

Sec. 11. *Expiration of contract* - This contract will expire 2 years, 0 months, 0 days from its approval date, unless BLM extends the term or renews the contract.

☐ BLM will check this box if this contract is a renewable competitive contract.

Sec. 12. *Renewal of renewable competitive contract*. BLM will renew your contract if you apply in writing no less than 90 days before your renewable competitive contract expires and you meet the conditions in the regulations at 43 CFR 3602.47.

Sec. 13. *Violations and cancellations*. (a) If you violate any terms or provisions of this contract, BLM may cancel your contract following the regulations at 43 CFR 3601.60 et seq., and recover all damages suffered by the United States, including applying any advance payments you made under this contract toward the payment of the damages.

(b) If you extract any mineral materials sold under this contract during the suspension period, or after the contract has expired or been canceled, you have committed, and may be charged with, willful trespass.

Sec. 14. *Responsibility for damages suffered or costs incurred by the United States*. If you, your contractors, subcontractors or employees breach this contract or commit any wrongful or negligent act, you are liable for any resulting damages suffered or costs incurred by the United States. You **must** pay the United States within 30 days after receiving a written demand from BLM.

Sec. 15. *Extensions of time*. BLM may grant you an extension of time in which to comply with contract provisions under the regulations at 43 CFR 3602.27. For contracts with terms over 90 days, you **must** apply in writing no less than 30 or more than 90 days before your contract expires. For contracts with terms of 90 days or less you **must** apply no later than 15 days before your contract expires.

Sec. 16. *Time for removing personal property*. You have 90 days (not to exceed 90) from the date this contract expires to remove your equipment, improvements, and other personal property from United States lands or rights-of-way. You may leave in place improvements such as roads, culverts, and bridges if BLM consents. Any property remaining after this period ends becomes the property of the United States, but you will remain liable for the cost of removing it and restoring the site.

Sec. 17. *Equal opportunity clause* - The actions you take in hiring **must** comply with the provisions of Executive Order No. 11246 of Sept. 24, 1965, as amended, which describe the non-discrimination clauses. You may get a copy of this order from BLM.



Sec. 18. *Effective date.* This contract becomes effective as indicated below.

- ☒ If this contract becomes effective on the date BLM signs the contract, BLM will check this box.
- ☐ If this contract becomes effective only after certain conditions are met, BLM will check this box, list the conditions below, and indicate the effective date.

Sec. 19. *Appeal.* You may appeal any decision that BLM makes in regard to this contract under Parts 4 and 1840 of Title 43 of the Code of Federal Regulations.

The following parties have executed this contract as of:

PURCHASER

Western Clay Company  
(Individual or Firm Name)

508 E. Center Avenue, UT  
(Address)

435-529-3281  
(Phone Number - include area code)

[Signature]  
(Signature)

(Signature)

THE UNITED STATES OF AMERICA

By \_\_\_\_\_

Ed Ginouves

(Authorized Officer)

Ed Ginouves, Mining Engineer  
(Title)

June 4, 2003  
(Date)

If you are a corporation, affix corporate seal here:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly or willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction, subject to a fine of up to \$10,000 and imprisonment up to 5 years.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires us to inform you that:

BLM is collecting this information to process your application and effect a binding contract.

BLM will use this information to identify and communicate with applicants.

You must respond to this request to get a benefit.

A federal agency may not conduct or sponsor, and you are not required to respond to, an information collection which does not have a currently valid OMB control number.

AUTHORITY: 30 U.S.C. 601 *et seq.*; 43 CFR 3600

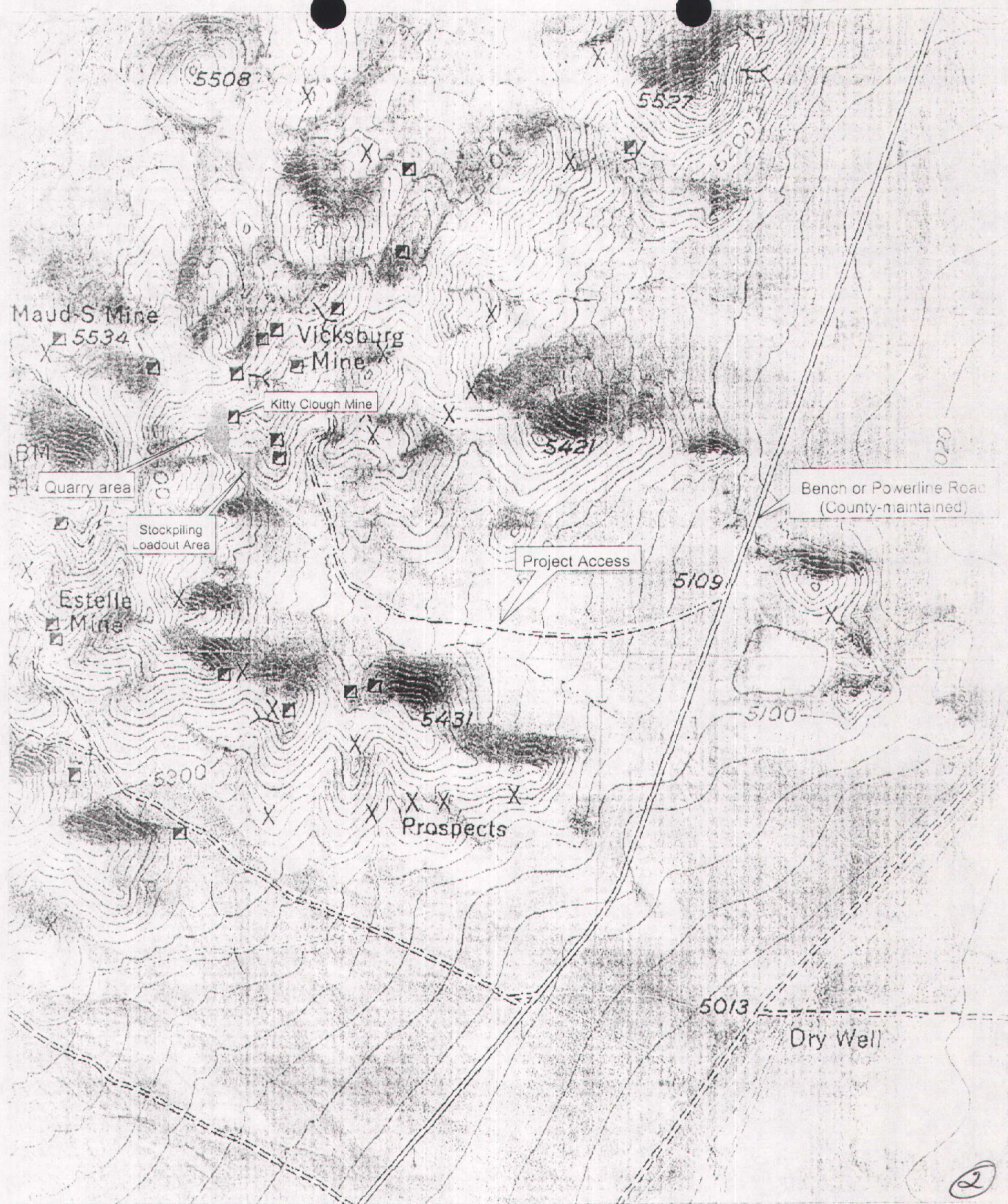
PRINCIPAL PURPOSE: BLM uses this information to identify the parties entering into contracts for disposing of mineral materials.

ROUTINE USES: BLM will transfer information from the record or the record itself to appropriate federal, state, local, or foreign agencies, when relevant to criminal, civil, or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If you do not provide this information to BLM, we will not be able to process your application for a contract.

BLM estimates the public reporting burden for this form at an average of 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Information Collection Clearance Officer, (1004-0103), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240





Project: Star Range Dolomite Sale

Operator: Western Clay Company

BLM File: UTU-80512

DOGM File:

Date Mapped: 2/14/2003

Notes: Proposed quarry area is 0.92 acres

Stockpile pad is 0.3 acres

Access road is 4,000' long

This map was prepared by the Utah Department of Natural Resources, Division of Lands and Minerals, for the purpose of showing the location of the proposed quarry area and stockpile pad. It is not intended to be used for any other purpose. The map is based on aerial photography and ground survey data. The map is not a legal document and should not be used for any legal purpose. The map is provided for informational purposes only.



Scale 1:12,000  
1" = 1000'



Stipulations for Material Sale Contract UTU-80512, dated June 4, 2003

1. All rock material removed from the contract area is subject to royalty payment. The royalty rate for material removed under this contract is as follows:

Broken rock suitable as decorative ground cover: \$0.80/ton

These royalty rates are only binding on the BLM for the material covered and paid for in this contract.

2. The primary term of the sales contract will run for a 2 year period from June 4, 2003 through June 4, 2005.
3. The permittee, and/or its designated operator, will maintain records of all material hauled or sold from the site. A production summary of all material produced and hauled from the site must be submitted by the end of the permit year covering the preceding year's production.
4. For royalty calculation purposes, the density of the material taken from the site will be determined by a representative sample.
5. The operating area covered by this contract is limited to the attached site map. The permittee, or their designated operator, must obtain written approval from the BLM Cedar City Field Office before operations and/or the operating area deviate from the area shown on the attached site map, and described in the mining and reclamation plan submitted by Mr. Byron Muir for Western Clay via letter dated February 6, 2003.
6. The reclamation bond to secure 3<sup>rd</sup> party reclamation of the disturbances to be made within the operating area for the sales contract will be \$6,000.00.
7. The permittee is required to monitor the site for noxious weeds at least once annually. The permittee is responsible for controlling all outbreaks of noxious weeds at the site.
8. The operator is not authorized to disturb any of the surface features associated with the historic Kitty Clough Mine that is adjacent to the east side of the quarry area.



**BLM - Cedar City Field Office**  
**Reclamation standards for mineral material sales and free-use permits**

1. At the earliest feasible time, the operator will reclaim the area disturbed. Reclamation will include reasonable measures to prevent or control on-site and off-site damage of public lands.
2. Reclamation will include but not be limited to:
  - a. Controlling erosion, landslides, and water runoff;
  - b. Isolating, removing, or controlling toxic materials;
  - c. Reshaping disturbed areas, applying topsoil and revegetating;
  - d. Controlling noxious weeds invading the site; and
  - e. Rehabilitating wildlife habitat.
3. Access roads, unless otherwise approved by the authorized officer, will be closed by reshaping the disturbed area to near original contours, scarifying where compaction prevents seed covering, and revegetating with the mixture determined by the authorized officer. Waterbars will be placed on steep inclines and access blocked to future vehicular traffic.
4. Unless otherwise approved in the permit, all high walls, pits or material piles will be recontoured to slopes not steeper than 3:1 and revegetated using the recommended mixture.
5. Seeding of disturbed areas will be done between October 15 and December 15. Seed should not be placed on top of deep snow. Seedbeds will be prepared to a depth of 6 inches by ripping, discing, or harrowing. Seed will be planted with a rangeland or farm drill or broadcast seeded. If broadcast seeded, the seed will be harrowed or raked 1/4 to 1/2 inch into the soil. The seed amount will be doubled if the area is broadcast seeded. The recommended seed mixture to be used will be determined by the authorized officer.
6. All hazardous materials or substances produced by the operation will be disposed of in accordance with applicable federal and state laws. All waste, debris, buildings and materials will be removed from the site and deposited at appropriate waste facilities.
7. Additional reclamation requirements may be needed on a case-by-case basis. These additional requirements will be issued by the authorized officer after consultation with the operator.
8. The authorized officer will be notified within 10 days of final reclamation.



## **BLM - Cedar City Field Office**

### **Standard stipulations for mineral materials sales contracts and free-use permits**

1. All topsoil will be removed and stockpiled on-site prior to removal of mineral materials. No trees will be removed without permission from the authorized officer.
2. All materials such as human waste, garbage, petroleum products and equipment will be removed from the site. No hazardous materials will be allowed on-site.
3. All fences, land improvements and survey monuments will be avoided. The permittee will be responsible for the resurvey and restoration of any improvements or survey monuments obliterated during operations.
4. Wildlife, wild horses and livestock will not be harassed or harmed. The permit may be terminated if any special status species or habitat are found in the project area.
5. Any cultural resources encountered will be immediately reported to the Bureau of Land Management. Operations will cease upon discovery of any cultural material. Operations will not resume until the material has been analyzed and additional clearance granted.
6. No blasting is allowed without permission from the authorized officer.
7. No work should be done under wet soil conditions when ruts of three inches or deeper result from road use. The permittee will be responsible for reclamation of roads used under these conditions.
8. Traffic will be restricted to existing roads unless permission is obtained from the authorized officer. No new roads will be permitted without prior authorization.
9. The permittee will be responsible for the safety of the public entering the area during operations. This may include such things as temporary barricades around the area being excavated during operations. BLM will not be responsible for accidents which occur on public land.
10. Noxious weeds, as determined by the Utah Commissioner of Agriculture and Weed Board for the applicable county, shall be controlled by the permittee. Target species include, but are not limited to, Scotch thistle, knapweed and whitetop.
11. No materials may be sold or bartered to other agencies or individuals. No permission may be granted to any other agency or individual to remove materials from the permit area.
12. Mineral materials will not be removed prior to issuance of a free use permit or after the permit has expired. It is the responsibility of the permittee to initiate permit re-issuance if continued removal from an expired permit is desired.
13. Only the amount of mineral materials stipulated in the contract will be removed. The removal of any additional material will be considered a trespass action.
14. The permittee will keep a log of every time mineral materials are removed and the amount removed. This log may be inspected by BLM personnel at any time. A copy of the log will be supplied to the BLM at the end of the permit or on a yearly basis, whichever comes first.
15. All regulations stated in 43 CFR 3600 will be followed or the permit will be revoked.
16. These standard operating procedures and a copy of the contract will be kept with the permittee during operations.